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SUBJECT: EAST TIMOR'S STRONGEST OPPOSITION PARTY GAINING MOMENTUM

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11. (SBU) Summary: East Timor's strongest opposition party, the Democratic Party (PD), held its national congress on September 29 - October 1, reelecting the incumbent leadership. The congress demonstrated that PD has emerged as a well-organized and well-funded party with a strong base among the younger population that is increasingly alienated from the ruling Fretilin party. Moreover, PD appears to be forging closer ties with President Xanana Gusmao and Prime Minister Jose Ramos-Horta, which if solidified could represent an unparalleled challenge to Fretilin's hold on power. While not at this point planning a coalition with other opposition parties, they are sustaining strong ties with both the Timorese Social Democratic Association (ASDT) and Social Democratic Party (PSD) and anticipate forming a national unity government with these parties if election results warrant. Of concern is the extent to which PD's strongest support base is in the western districts, while Fretilin is stronger in the East; if neither are able to effectively campaign as truly national parties, their competitive dynamic could contribute to the calcification of the East v. West tensions that have recently plagued the country. End summary.

12. (U) The Democratic Party (PD) held its national party congress September 29 - October 1 in Dili. Attendance at the congress reached 1,800 making it by far the largest party congress to date. Of these, 1,185 were delegates with the right to vote, including representatives of the 13 districts, the party's women's organization (Democratic Women's Organization - OMD), the party's youth wing (Democratic Youth Organization - OJD), national leadership, and founding members. Elections were conducted by a secret ballot. Leadership lists required 200 supporting signatures from the delegates in order to be submitted. A total of four competing lists were submitted, but all included the same candidates for President and Secretary General, the incumbents Fernando "Lasama" Araujo and Mariano Sabino Lopes respectively. The only differences among the lists were the candidates for vice presidents and vice secretary

generals, new positions in the party leadership. The newly elected vice presidents are: Adriano do Nascimento, Joao Boavida, and Jose Nominando "Buras". The newly elected vice secretary generals are: Francisco Burlako, Eusebio Guterres, and

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Samuel Mendonca.

13. (U) Despite the uncontested nature of the leadership election, the reelection of party president Lasama is of note given some of the controversy that surrounded him during the recent crisis. Although he publicly denied it, Lasama was seen to be closely associated with the National Front for Justice and Peace (FNJP) which organized the June demonstrations against former Prime Minister Mari Alkatiri. Although this association may have some benefits in mobilizing support for the party in the western districts where FNJP is strongest, many party supporters have been unhappy with the connection. Additionally, his management of PD has often been criticized as weak and lacking direction and even some strong party supporters do not see him as a viable candidate for national leadership. In addition to concerns about the strength of leadership, observers have been critical of the party for failing to present substantive ideas regarding how it would govern differently, a weakness that plagues all of East Timor's opposition parties. PD currently has no platform, but began discussion on platform contents during the congress and has plans to issue it in the coming weeks.

14. (SBU) Nevertheless, the congress was a clear demonstration of how far PD has come since its founding shortly before the 2002 elections. Although it has lacked the ability to push an agenda at the national level, PD coordinators in the districts have been working hard to build support over the last year and this effort appears to be paying off. The party already has strong resistance credentials and appears to be benefiting from a loss of faith in Fretilin among many former resistance fighters and clandestine movement participants, especially in the West. The congress was well organized and well funded. According to

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sources within the party, it is receiving significant financial support from "friends" in the US, Australia, Canada, and several Asian countries including Indonesia. The support from Indonesia is apparently coming from the community of long-time supporters of East Timor's independence, particularly those who supported the Indonesian-based Timorese youth organization, Renetil.

15. (U) The PD congress particularly demonstrated the party's strength among the younger generation. Much of PD's leadership and membership has its roots in Renetil and the party has successfully maintained its connections to this base. Participants at the congress were dominated by the 25-45 year old generation which has been largely alienated by Fretilin's older Portuguese-speaking leadership. Notably, while the PD congress proceedings were carried out in Tetum, the documents including the party statutes were written in Indonesian, the language in which most of the younger generation received their education. Beyond Renetil PD seems to be successfully reaching out to other youth constituencies as well as the broader western-based opposition network. One example is congress delegate Joao Becora who is the leader of a youth group in the Becora neighborhood of Dili that has been involved in some gang activities. Becora is known to be very close to dissident armed forces (F-FDTL) Major Alfredo Reinado and his group arranged the security for the congress.

16. (SBU) In addition, PD appears to be forging closer informal ties with President Xanana Gusmao and Prime Minister Jose Ramos-Horta. Party sources confided to Embassy staff that Gusmao contributed significant financial support for the congress, although he was keeping this under wraps. There was a sense at the congress that Gusmao may eventually be convinced to overtly associate himself with PD or with a broader grouping of opposition parties as the leader of a "national unity" opposition campaign. Despite some loss of popularity and trust

in Gusmao resulting from the recent crisis, he still wields enormous popular influence and it is widely acknowledged that an opposition campaign with his public support would represent an unparalleled challenge to Fretilin.

17. (SBU) There is also a general, though informal, consensus in PD that if the party wins the coming elections they will ask Ramos-Horta to continue as Prime Minister. Ramos-Horta continues to emphasize his intent to resign from government service once his current mandate ends in May 2007, but many observers believe that he is open to this prospect and in fact would likely welcome it. His speeches at both the PD congress and the ASDT congress the previous week were of interest in that they indicated increasing tensions between himself and Fretilin and greater optimism regarding the opposition. At the ASDT congress, held in Dili September 22-24, he left out any reference to Alkatiri when discussing the founding of ASDT (which was the precursor to Fretilin, founded by himself, do Amaral and Alkatiri). His speeches at the PD congress emphasized the need for the "new generation" to start transitioning to lead the country and in reference to the current crisis indirectly swiped at Alkatiri when he said, "I might not be intelligent, but I haven't participated in the distribution of weapons."

18. (U) The leaders of ASDT and PSD, the two other opposition parties with comparable representation in Parliament (PD has 7 seats, ASDT and PSD each have 6 seats), were also in attendance at the PD congress. They were warmly welcomed and prominently featured. There has long been talk of the three parties forming a coalition for the 2007 elections, and there was much informal discussion at the congress regarding this possibility. However, sources in party leadership reiterated their previous position that they will not form a coalition in advance of the elections, but will operate on the basis of a "gentlemen's agreement" to focus their criticisms on Fretilin and not each other. Once the election results are in they will turn to addressing how they will work together, possibly forming a coalition government at that time.

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19. (U) Comment: PD's base in the western districts is notably stronger than in the East. Fretilin on the other hand, retains greater strength in the East and has been quite actively mobilizing to sustain and increase this support base. This raises a concern that the 2007 election campaign could devolve into a regionally based competition with the potential to calcify East versus West tensions. Countering such a dynamic will require the parties themselves to conduct their campaigns with a focus on broad national issues, measures to ensure that each party can freely campaign in all areas of the country, and implementation of national reconciliation dialogue efforts reduce East-West tensions. End comment.
GRAY